

Message Text

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FM AMEMBASSY LAGOS

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FOR COMMERCE

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TAGS : BCOM

SUBJ : PROPOSED FY 1975 EVENT SCHEDULE

REF : LAGOS 6710; STATE A-5964 AND A-6254

SUMMARY

AS INDIGENIZATION AND NIGERIANIZATION TAKE HOLD, NIGERIAN BUSINESSMEN ARE BECOMING INCREASINGLY IMPORTANT AS DECISION MAKERS IN OVERSEAS PURCHASING. EMBASSY FEELS THAT IN CHANGING SITUATION OPPORTUNITIES EXIST WHICH CALL FOR STEPPED-UP TRADE PROMOTION PROGRAM. TO INCREASE OUR EXPOSURE IT IS PROPOSED THAT COMMERCE SHOULD PLAN NINE PROMOTIONAL EVENTS IN NIGERIA IN FY 1975 COMPAIRED WITH SIX IN FY 1974. END SUMMARY.

1. NIGERIAN BUSINESSMEN ARE CURRENTLY IN A CRITICAL PERIOD OF DECISION MAKING CONCERNING TRADE ALIGNMENT. INDIGENIZATION (NIGERIAN EQUITY PARTICIPATION) AND NIGERIANIZATION (NIGERIAN PARTICIPATION IN MANAGEMENT) COMBINED WITH THE RESTRICTION OF EXPATRIATE WORK PERMITS ARE GRADULLY CURTAILING THE DOMINANT TRADING POSITION OF THE ESTABLISHED BRITISH AND EUROPEAN COMPANIES. DECISION MAKING ON PURCHASING ABROAD IS PASSING MORE AND MORE TO NIGERIAN IMPORTERS, AGENTS, WHOLESALERS AND MANUFACTURERS. A SUBSTANTIAL BODY OF THESE IS LOOKING TO THE UNITED STATES, NOW SPARSELY REPRESENTED IN NIGERIA, AS A SOURCE OF SUPPLY, KNOW-HOW AND BUSINESS PARTNERSHIP. A NUMBER OF BUSINESSMEN ARE ADMITTEDLY RESTRICTED IN THEIR PRESENT CHOICES BECAUSE OF ESTABLISHED AGENCY UNCLASSIFIED

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CONNECTIONS HELD BY RESIDENT FOREIGN FIRMS, BUT MANY FEEL THAT THEIR OPTIONS IN THE FUTURE MAY BE GREATER IN THE U.S. MARKET.

2. THE U.S. HAS HAD A LOCAL REPUTATION OF BEING A HIGH-PRICED

SUPPLIER. WITH THE REVALUATIONS OF EUROPEAN CURRENCIES, HOWEVER, MANY ARE NOW REASSESSING THE OPPORTUNITIES OF BUYING IN THE U.S. A NUMBER OF NIGERIANS MAY BE FRUSTRATED BY AN APPARENT LACK OF U.S. EXPORTER INTEREST AND THEIR OWN INABILITIES TO FIND THEIR WAY IN THE LARGE U.S. MARKET. THE SPECIAL OPPORTUNITIES IN THE NIGERIAN SITUATION SEEM TO CALL FOR A STEPPED-UP TRADE PROMOTION PROGRAM TO INCREASE U.S. EXPOSURE. SIX PROMOTIONAL EVENTS ARE CURRENTLY SCHEDULED FOR FY 1974; WE PROPOSE NINE EVENTS FOR FY 1975, INCLUDING A MAJOR EFFORT AT THE LAGOS INTERNATIONAL TRADE FAIR WHICH WE NOW EXPECT WILL BE HELD DURING THE FIRST HALF OF CALENDAR YEAR 1975.

3. WE ARE IMPRESSED WITH THE VOLUME, QUALITY AND PRODUCT RANGE OF THE TRADE OPPORTUNITIES WE ARE RECEIVING. WE HAVE BEEN AGREEABLY SURPRISED BY THE SPONTANEOUS REACTION OF THE NIGERIAN BUSINESS COMMUNITY TO THE SEPTEMBER 23-OCTOBER 4 NIGERIAN-AMERICAN CHAMBER OF COMMERCE TRADE MISSION TO THE U.S. THE MAJORITY OF THE 20-MAN TRADE DELEGATION IS VISITING THE U.S. TO BUY. SERIOUS BUSINESS TRAVEL TO THE U.S. BY INDIVIDUAL BUSINESSMEN APPEARS TO BE INCREASING.

4. WE PROPOSE THE FOLLOWING SCHEDULE OF EVENTS FOR FY 1975:
A. SEPTEMBER 1974 NIGERIAN TRADE MISSION TO U.S. NUMEROUS NIGERIAN ENTREPRENEURS AND MEDIUM SIZED MANUFACTURERS ARE SEEKING SOURCES OF SUPPLY, FOR EXAMPLE, FOR TIRE RETREADING PLANT; AUTOMOTIVE SERVICE EQUIPMENT; PRODUCTION AND PACKAGING OF HARD CANDY AND SNACK SPECIALITIES; SOFT SERVICE ICE CREAM AND SLUSH EQUIPMENT; BASIC, SIMPLE METAL WORKING EQUIPMENT (METAL CUTTING LATHES, SHAPERS AND MILLING MACHINES); MACHINERY TO MANUFACTURE BUILDERS' HARDWARE, CONCRETE BLOCKS AND BUILDING MATERIALS; AND PLANT FOR SMALL VOLUME CANNING.

B. OCTOBER 1974 BUILDERS' MATERIAL AND HARDWARE TRADE MISSION. GOVERNMENT AND PRIVATE BUILDING IS IN A PERIOD OF BOOM. WE HAVE NOTED A HIGH DEGREE OF TRADE INTEREST IN HAND AND POWER TOOLS, BUILDERS' STAPLING MACHINES, SMALL WELDERS, PLUMBING FITTINGS, PLASTIC SHEETING, DOOR LOCKS AND METAL FITTINGS.
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C. NOVEMBER 1974 BUSINESS EQUIPMENT TRADE MISSION AND CATALOG SHOW (REFERENCE CATALOG SHOW TO MOROCCO AND ZAMBIA OUTLINED A-6254). WE FEEL THAT THERE IS PROMISING POTENTIAL FOR A RANGE OF PHOTOCOPY AND DUPLICATING MACHINES, POCKET CALCULATORS, MANUAL ADDING/LISTING MACHINES, GENERAL OFFICE SUPPLIES AND ACCESSORIES, OFFICE LOCKS AND NOVELTIES, AND HIGH QUALITY OFFICE FURNITURE.

D. FEBRUARY 1975 PAPER CONVERTING MACHINERY, EQUIPMENT AND SUPPLIES TRADE MISSION. THERE ARE NUMEROUS PAPER CONVERTING VENTURES UNDERWAY OR PLANNED. ENTREPRENEURS ARE EXPANDING OR STARTING NEW PRODUCTION FACILITIES FOR PAPER CARTONS, BUSINESS MACHINE PAPER, GUMMED AND ADHESIVE PAPERS, TOILET ROLLS, PAPER

NAPKINS, CLEANING TISSUE, CALLING CARDS, AND DISPOSABLE PAPER PRODUCTS.

E. MARCH 1975 AIR CONDITIONING AND REFRIGERATION CATALOG SHOW (SCHEDULED FOR NIGERIA AND ZAIRE REFERENCE A-6254). MARKET INFORMATION IS CONTAINED IN LAGOS' A-3 OF JANUARY 12, 1973. IN VIEW OF THE FACT THAT A LARGE PERCENTAGE OF THE U.S. TRADE IS REPRESENTED IN THE MARKET, WE MIGHT CONCENTRATE ON SPECIAL APPLICATION EQUIPMENT (AIR CONDITIONERS FOR HEAVY EQUIPMENT, BUSES AND AUTOMOBILES), AND NEW PRODUCTS AND TECHNOLOGY.

F. APRIL 1975 MATERIALS HANDLING EQUIPMENT TRADE MISSION (REFERENCE PLANNED PROGRAM FOR ALGERIA, MOROCCO, KENYA AND TUNISIA, A-6254). MARKET INFORMATION IS CONTAINED IN TARGET INDUSTRY RESEARCH REPORT B A-135 OF JUNE 14, 1973.

G. MAY 1975 TRANSPORTATION AND CONSTRUCTION EQUIPMENT AND SERVICES TECHNICAL SALES SEMINAR (REFERENCE SCHEDULED PROGRAM FOR NIGERIA, IVORY COAST AND ZAMBIA, A-5964). MARKET INFORMATION IS CONTAINED IN A-3 OF JANUARY 12, 1973.

H. JUNE 1975 CONSUMER MERCHANDISE TRADE MISSION. WE CONSIDER THAT THERE IS PROMISING MARKET FOR GENERAL DEPARTMENT STORE MERCHANDISE. MISSION MIGHT BE TIED IN WITH U.S. WEEK PROMOTION AT LEADING DEPARTMENT STORE. RANGE OF PRODUCTS MIGHT INCLUDE FABRICS, READY-MADE GARMENTS, SPORTS EQUIPMENT, DECORATIVE GLASSWARE, TABLE MATS, SERVING TRAYS, DESK SETS AND ACCESSORIES, SMALL UNCLASSIFIED

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ELECTRIC HOME APPLIANCES (220 VOLT 50 CYCLE), STATIONERY SUPPLIES, BATHROOM ACCESSORIES, KITCHEN AIDS, BARBECUE EQUIPMENT, ETC.

5. THE NINTH WOULD BE THE LAGOS INTERNATIONAL TRADE FAIR, BUT WE ARE NOT ABLE NOW TO INDICATE A DATE FOR THAT.

6. IN ADDITION, WE BELIEVE THAT AT SOME POINT, PROBABLY EARLY IN FY 1975, A PROMOTION OF AVIATION EQUIPMENT WOULD BE DESIRABLE IN ORDER TO TAKE ADVANTAGE OF THE GOVERNMENT'S KNOWN DESIRE TO IMPROVE AND MODERNIZE AIRFIELDS AND AIRFIELD EQUIPMENT. HOWEVER, THE TIMING OF SUCH A PROMOTION WOULD BE IMPORTANT AND WE WOULD LIKE TO DEFER OUR SUGGESTION ON THAT UNTIL WE KNOW MORE ABOUT THE GOVERNMENT'S PLANS.

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